

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

Ref. Docket No. 354

**ORDER AUTHORIZING FILING OF MASTER PROOF OF
CLAIM BY THE PREPETITION HOLDCO SECURED PARTIES**

Upon consideration of the *Stipulation Regarding Filing of Master Proof of Claim by the Prepetition HoldCo Secured Parties* (the “Stipulation”), a copy of which is attached hereto as Exhibit 1, entered into by and between (i) the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), (ii) the Ad Hoc Group of Freedom Lenders (the “Freedom Lender Group”), and (iii) Alter Domus (US) LLC (collectively, with the Debtors

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

and the Freedom Lender Group, the "Stipulating Parties"), and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT

1. The Stipulation and the terms set forth therein are APPROVED and shall have the full force and effect of an order entered by this Court with respect thereto.
2. The Stipulating Parties are hereby authorized to effectuate the terms of this Order.
3. This Court shall retain jurisdiction over the terms of the Stipulation and this Order.



LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Dated: January 21, 2025
Wilmington, Delaware

EXHIBIT 1

Stipulation

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
)	
FRANCHISE GROUP, INC., <i>et al.</i> , ¹)	Case No. 24-12480 (JTD)
)	
Debtors.)	(Jointly Administered)
)	

**STIPULATION REGARDING FILING OF MASTER PROOF OF
CLAIM BY THE PREPETITION HOLDCO SECURED PARTIES**

This stipulation (the “Stipulation”) is entered into by and among: (i) the above-captioned debtors and debtors in possession (collectively, the “Debtors”); (ii) the Ad Hoc Group of Freedom Lenders; and (iii) the Prepetition HoldCo Agent (as defined below) (clauses (i)-(iii), collectively, the “Parties”), who agree as follows:

WHEREAS, on November 3, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing, LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

§§ 101–1532 (the “Bankruptcy Code”), commencing these chapter 11 cases (collectively, the “Chapter 11 Cases”) with the U.S. Bankruptcy Court for the District of Delaware (the “Court”);

WHEREAS, certain of the Debtors are parties to that certain Credit Agreement, dated as of August 21, 2023 (as amended, amended and restated, supplemented, or otherwise modified from time to time prior to the Petition Date, the “Prepetition HoldCo Credit Agreement,” and together with all other agreements, guarantees, pledge, collateral and security documents, control agreements, instruments, certificates, notes, and other documents executed, recorded and/or delivered in connection therewith, including, without limitation, the Loan Documents (as defined in the Prepetition HoldCo Credit Agreement) and the applicable prepetition intercreditor agreements by and among the Debtors and the Debtors’ prepetition secured parties party thereto, collectively, the “Prepetition HoldCo Loan Documents”), among Freedom VCM, Inc., as the Borrower, Freedom VCM Interco, Inc., as Holdings, the guarantors party thereto, and Alter Domus (US) LLC, as administrative agent and collateral agent (in such capacity, the “Prepetition HoldCo Agent”), and the lenders party thereto from time to time (together with the Prepetition HoldCo Agent, the “Prepetition HoldCo Secured Parties”);

WHEREAS, on December 6, 2024, the Court entered that certain *Order (A) Establishing Bar Dates and Related Procedures for Filing Proofs of Claim (Including for Claims Arising Under Section 503(b)(9) of the Bankruptcy Code) and (B) Approving the Form and Manner of Notice Thereof* [Docket No. 354] (the “Claims Bar Date Order”);

WHEREAS, Paragraph 9(e) of the Claims Bar Date Order provides that, “[u]nless otherwise ordered by this Court, each Proof of Claim must state a claim against **only one (1)** Debtor, clearly indicate the Debtor against which the claim is asserted, and be filed on the claims register of such Debtor. To the extent more than one Debtor is listed on the Proof of Claim, such

claim may be treated as if filed only against Franchise Group, Inc.” (Claims Bar Date Order ¶ 9(e) (emphasis in original)); and

WHEREAS, the Parties deem it preferable and expeditious to allow each of the Prepetition HoldCo Secured Parties to file a master proof of claim in these Chapter 11 Cases;

NOW, THEREFORE, the Parties stipulate to the Court entering an order authorizing the following:

1. Notwithstanding anything to the contrary in the Claims Bar Date Order,² each of the Prepetition HoldCo Secured Parties is hereby authorized and allowed, in its respective sole discretion, but not required, to file (and amend and/or supplement, as applicable, in each case, in accordance with the Claims Bar Date Order) a single, consolidated master proof of claim (a “Master Proof of Claim”) in respect of any and all asserted claims of, and alleged obligations owed to, any of the Prepetition HoldCo Secured Parties arising under or related to the Prepetition HoldCo Loan Documents, the “Secured Obligations” (as defined in the Prepetition HoldCo Credit Agreement), and/or any other applicable claims, if any, that may be granted pursuant to an order of this Court, which Master Proof of Claim (x) will be filed in the lead Chapter 11 Case, *In re Franchise Group, Inc.*, Case No. 24-12480 (JTD), but shall be deemed a valid, timely, and properly filed Proof of Claim against each Debtor in each of the Debtors’ Chapter 11 Cases and any successor bankruptcy cases, and (y) shall otherwise comply with the Claims Bar Date Order. The Prepetition HoldCo Secured Parties shall not be precluded from filing proofs of claim in addition to any Master Proof of Claim filed by any of the Prepetition HoldCo Secured Parties; provided,

² Capitalized terms used herein as defined terms and not otherwise defined shall have the meanings ascribed to them in the Claims Bar Date Order.

however, the Debtors reserve any and all rights with respect to such proofs of claim, including to object on the grounds that such proofs of claim are duplicative.

2. Nothing in this Stipulation is intended to be or shall be construed as an admission of the validity or priority of any claim the Prepetition HoldCo Secured Parties may assert against the Debtors. The Debtors expressly reserve all rights to object to and contest on any grounds the claims asserted pursuant to the Master Proof of Claim.

(Signatures on Next Page)

Dated: January 21, 2025
Wilmington, Delaware

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Respectfully submitted,

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